

*Tomorrow Capital Enterprises Private Limited
(Formerly known as Lodha Finserv Private Limited)*

**TOMORROW CAPITAL
ENTERPRISES PRIVATE LIMITED
(FORMERLY KNOWN AS LODHA
FINSERV LIMITED)**

POLICY ON DEMAND/CALL LOANS

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Background

The Reserve Bank of India, having considered it necessary in the public interest, have given directions to every Non-Banking Financial Company not accepting / holding public deposits to frame the Demand/Call Loan Policy and implement the same. The Company being essentially engaged in the investment activities and also providing loans to body corporates, have framed a Demand/Call Loan Policy as enumerated below:

Objective

The Policy has been developed with the following objects:

- For customers whose requirements for funds are short term and temporary, but frequent in nature, demand loans are better option as it would meet their purpose.
- For the company as a lender it would help in meeting the customer requirements, help in deploying surplus funds for short term and also to plan its funds flow in a seamless way.
- Further in case of any sudden and upward movement in cost of funds, it would offer an exit option for both the borrower and lender.

Company's Policy on Demand/Call Loans

Keeping the benefits in view and in order to exploit the business opportunities the demand loans may open up, a policy on extending demand / call loans is detailed out as under:

1. Company will grant the Demand/Call loans to the entities having good track record, financial soundness and/or good rating.
2. Demand / Call loans would be considered by the company both under secured loan as well as under unsecured loan segments. This would be reviewed, from time to time, by an empowered Committee
3. Maximum Period for a demand / call loan would be 3 months from the date of sanction of such loan (i.e. the period within which the demand/ call would be made for repayment) (hereinafter termed as "Stipulated Period"). For each case, such "Stipulated Period" needs to be decided and specified in the Sanction Memorandum/ Advice.
4. The sanctioning authority would, record specific reasons in writing at the time of sanctioning demand or call loan

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5. A Log of due dates for cut off dates each of the demand / call loans to be maintained.
6. In case no call / demand is made prior to the expiry of stipulated period, then the loan shall be deemed to be called/ demanded on such expiry date and shall be repaid accordingly.
7. Suitable clause empowering such demands/ calls made for repayment including mode and authority of making the demand or call for repayment of the loan would be documented.
8. The rate of interest would be decided by the Company, on case to case basis, after considering the prevailing market rate and such interest shall be serviced on monthly basis. The interest may at the option of the company be collected on quarterly payment basis which shall be specified in the approval / sanction letter.
9. Demand / call loans may be considered on fixed interest or fluctuating interest rate basis pegged to any anchor rate as may be agreed upon.
10. All the demand / call loans having stipulated period beyond 3 months shall be subjected review of performance at the end of 3 months.
11. At least 15 days prior to the end of the stipulated period or such other period as may be agreed upon by the Company, the loans would be reviewed to decide on whether demand / call should be made on due date or further renewal of the loan either in full or part to be considered for any period, not exceeding 12 months. The same shall be documented. In case the loan is renewed, then it should be considered as a new demand / call loan although the same may continued under same customer/ loan account number. Necessary renewal papers would be obtained.
12. In case the interest is not serviced on due date or the loan is not paid off after being called up / demanded, then the loan would be treated as non performing if such overdue status continue for more than 3 months from such date and would be provided for according to the policy of the company. The borrower wise NPA classification would also be applicable although no call demand is made for any particular loan.
13. Maximum amount for each of the demand/ call loan and the aggregate amount of the demand / call loan would be subjected to a periodical review
14. This policy should always be read in conjunction with RBI guidelines, directives, and instructions. The company will apply best industry practices so long as such practice does not conflict with or violate RBI guidelines and the same shall be

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subject to alteration revision as per changed market scenario and/or statutory guidelines.